

Realm Strategic Income Fund

ARSN 624 861 589

Financial report

For the half-year ended 31 December 2021

Index to the Financial Statements

	Page
Directors' Report	2
Auditor's Independence Declaration	4
Independent Auditor's Report	5
Directors' Declaration	7
Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2021	8
Statement of Financial Position as at 31 December 2021	9
Statement of Changes in equity for the half-year ended 31 December 2021	10
Statement of Changes in Net Assets Attributable to Unitholders for the half-year ended 31 December 2021	11
Statement of Cash Flows for the half-year ended 31 December 2021	12
Notes to the Financial Statements	
1. General Information	13
2. Adoption of New and Revised Accounting Standards	13
3. Summary of Significant Accounting Policies	13
4. Investments in Financial Instruments	14
5. Net Assets Attributable to Unitholders	15
6. Commitments and Contingencies	16
7. Subsequent Events	16

Directors' report

The directors of One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042) ("OMIFL" or the "Responsible Entity"), the responsible entity of Realm Strategic Income Fund ARSN 624 861 589 ("RSIF" or the "Fund") submit their report together with the financial report for the Fund the half-year ended 31 December 2021.

Responsible Entity

The registered office and principal place of business of the responsible entity is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000.

Information about the Directors and Senior Management

The names of the directors and company secretaries of the Responsible Entity, in office during the financial half-year are:

Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary
Michael Sutherland	Executive Director

Principal Activities

The Fund is a registered managed investment scheme, constituted and domiciled in Australia.

The Fund was constituted on 6 March 2018, registered as a managed investment scheme on 19 March 2018 and commenced operations on 8 June 2018.

The principal activity of the Fund during the period was to invest in accordance with the provisions of the Fund's Constitution and offer documents.

The Fund had two classes of units on issue, 2018-1 Units and Enduring Units under the constitution. The Trustee has created sleeves pursuant to which assets and liabilities are made referable to the specific class of units. 2018-1 Units were reclassified to Enduring Units effective 1 November 2021.

The Fund's primary emphasis is to invest in a portfolio of Australian and New Zealand originated debt securities, loans, trusts, notes and bank facilities. These funds will support the needs for residential mortgages and asset-backed loans in these markets.

The Fund did not have any employees during the half-year.

Review and Results of Operations

The performance of the Fund, as represented by the results of its operations, was as follows:

	Half-year ended 31 December 2021	Half-year ended 31 December
Operating profit attributable to unitholders before finance costs (\$)	3,550,978	1,847,114
Distributions paid and payable (\$)	3,874,234	1,590,630

Value of Assets and Units Issued

The total value of the Fund's assets at 31 December 2021 was \$199,783,797 (2020: \$85,516,346). The following table shows the total number of units on issue as at 31 December 2021 and 30 June 2021.

	As at 31 December 2021 No. of Units	As at 30 June 2021 No. of Units
2018-1 Units	-	29,711,240
Enduring Units	192,041,538	53,339,437
Total Units	192,041,538	83,050,677

Directors' report (continued)

Changes in State of Affairs

On 1 November 2021, the 2018-1 Unit Class were reclassified as Enduring Units in accordance with the Fund's Constitution.

During the half-year there were no other significant changes in the state of affairs of the Fund.

Subsequent Events

Ukraine conflict, following Russia's escalation in conflict in February 2022, there is an increased level of global uncertainty with increased market and economic volatility, which may in turn have an impact on the Fund.

The coronavirus, COVID-19, was first identified as a new, highly contagious virus in December 2019. The World Health Organisation declared a global pandemic in March 2020 and as at the date of this half yearly Report, COVID-19 remains prevalent throughout the world, including Australia. COVID-19 has caused unprecedented disruption to populations, businesses and general economic activity. As the situation evolves, it continues to impact on investment funds and their trustees and managers, both directly and indirectly.

As these situations are continuing, the Investment Manager has been monitoring both the valuation of the Fund's assets and the Fund's liquidity and is investing in accordance with the provision of the Fund's Constitution and offer documents and service providers whilst assessing the ongoing operations, liquidity, and lending arrangements and on that basis the values and estimates are reported. In these circumstances, there is uncertainty around valuations. The Investment Manager will continue to closely monitor market situations to ensure that valuations remain appropriate. The Investment Manager will provide resources and updates where necessary to provide informed guidance for investors during this changing environment.

There has been no other matter or circumstance occurring subsequent to the end of the half-year that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial periods.

Likely Developments

The Fund will be managed in accordance with the Constitution and investment objectives as detailed in its most recent Product Disclosure Statements as they relate to each relevant class of units on issue.

Environmental Regulation and Performance

The operations of the Fund are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

Indemnification of Directors, Officers and Auditors

During or since the half-year, the Fund has not indemnified or made a relevant agreement to indemnify an officer of the Responsible Entity or auditor of the Fund or any related corporate body against a liability incurred by an officer of the Responsible Entity or auditor of the Fund. In addition, the Fund has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer of the Responsible Entity or auditor of the Fund.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the directors of the Responsible Entity, One Managed Funds Investment Limited.



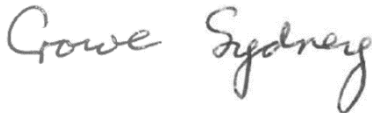
Frank Tearle
Director
11 March 2022

Auditor's Independence Declaration Under Section 307C of the *Corporations Act 2001* to Directors of One Managed Investment Funds Limited

As lead auditor for the review of the half year financial report of Realm Strategic Income Fund for the half year ended 31 December 2021, I declare that to the best of my knowledge and belief, that there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

Yours sincerely,



Crowe Sydney



John Haydon
Senior Partner

11 March 2022

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.

© 2022 Findex (Aust) Pty Ltd

Independent Auditor's Review Report to the Unitholders of Realm Strategic Income Fund

Conclusion

We have reviewed the half-year financial report of Realm Strategic Income Fund (the Fund), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of changes in net assets attributable to unitholders and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Realm Strategic Income Fund does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Fund's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis of Conclusion

We conducted our review in accordance with ASRE 2410 *Review of Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.

© 2022 Findex (Aust) Pty Ltd

Responsibility of the Directors for the Financial Report

The directors of the Responsible Entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Fund's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Crowe Sydney



John Haydon
Senior Partner

11 March 2022

Directors' declaration

The directors of the Responsible Entity declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 3(a) to the financial statements; and
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Fund.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to Section 303(5) of the Corporations Act 2001.

On behalf of the directors of the Responsible Entity, One Managed Investment Funds Limited.



Frank Tearle
Director
11 March 2022

Statement of Profit or Loss and Other Comprehensive Income

	Note	Half-year ended 31 December 2021 \$	Half-year ended 31 December 2020 \$
Investment income			
Net gains/(losses) on financial instruments at fair value through profit or loss		26,957	200,752
Dividend income		23,288	6,770
Interest income		4,248,304	2,003,596
Other income		16,331	20,178
Total net investment income		4,314,880	2,231,296
Expenses			
Management fees		689,673	357,254
Other expenses		74,229	26,928
Total expenses		763,902	384,182
Operating profit before finance costs attributable to unitholders		3,550,978	1,847,114
Other comprehensive income		-	-
Total comprehensive income for the half-year		3,550,978	1,847,114

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

	Note	As at 31 December 2021 \$	As at 30 June 2021 \$
Assets			
Cash and cash equivalents		559,042	372,218
Other receivables		734,746	273,661
Financial assets at fair value through profit or loss	4	198,490,009	84,870,467
Total assets		199,783,797	85,516,346
Liabilities			
Distributions payable		2,609,632	1,183,256
Management fees payable		201,160	78,003
Total liabilities		2,810,792	1,261,259
Net assets attributable to unitholders - equity		196,973,005	84,255,087

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of changes in equity

		Half-year ended 31 December 2021 \$	Half-year ended 31 December 2020 \$
	Note		
Total equity at the beginning of the half-year		84,255,087	-
Reclassification due to AMIT tax regime implementation*		-	60,275,902
Comprehensive income for the half-year			
Profit/(loss) for the half-year		3,550,978	1,847,114
Other comprehensive income		-	-
Total comprehensive income		3,550,978	1,847,114
Transactions with unitholders			
Applications	5	131,600,866	1,929,852
Redemptions	5	(19,351,414)	(268,928)
Reinvestment of distributions	5	791,722	403,651
Distributions to unitholders	5	(3,874,234)	(1,590,630)
Total transactions with unitholders		109,166,940	473,945
Total equity at the end of the financial half-year*		196,973,005	62,596,961

*Effective from 1 July 2020, the Fund's units have been reclassified from financial liability to equity. As a result, equity transactions, including distributions have been disclosed in the above statement for the half-year ended 31 December 2020 and 31 December 2021.

The above Statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Changes in Net Assets Attributable to Unitholders

	Note	Net assets attributable to unitholders of the Fund \$
Half-year ended 31 December 2020		
Balance as at 1 July 2020		60,275,902
Reclassification due to AMIT tax regime implementation*		(60,275,902)
Applications for units by unitholders		-
Redemptions of units by unitholders		-
Reinvestments by unitholders		-
Increase in net assets attributable to unitholders		-
Balance as at 31 December 2020		-

*Net assets attributable to unit holders are classified as equity at 1 July 2020.

The above Statement of Changes in Net Assets Attributable to Unitholders should be read in conjunction with the accompanying notes.

Statement of Cash Flows

	Note	Half-year ended 31 December 2021 \$	Half-year ended 31 December 2020 \$
Cash flows from operating activities			
Net purchase and sales of financial instruments at fair value through profit or loss		(113,592,584)	(3,794,686)
Interest received		3,824,365	2,004,651
Dividends received		23,883	6,770
Other income		(11,761)	15,579
Management fees paid		(566,516)	(357,125)
Other payments		(83,878)	(21,717)
Net cash (outflow)/inflow from operating activities		(110,406,491)	(2,146,528)
Cash flow from financing activities			
Distributions paid to unitholders		(1,656,137)	(962,712)
Proceeds from applications by unitholders		131,600,866	1,929,852
Payments for redemptions by unitholders		(19,351,414)	(268,928)
Net cash inflow/(outflow) from financing activities		110,593,315	698,212
Net decrease/increase in cash and cash equivalents		186,824	(1,448,317)
Cash and cash equivalents at the beginning of the half-year		372,218	1,718,632
Cash and cash equivalents at the end of the half-year		559,042	270,315
Non-cash operating and financing activities		791,722	403,651

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1 General Information

The Fund is an unlisted registered managed investment scheme. The responsible entity of the Fund is One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042) ("OMIFL" or the "Responsible Entity"). The registered office and principal place of business of the Responsible Entity is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000.

The Fund was constituted on 6 March 2018, registered as a managed investment scheme on 19 March 2018 and commenced operations on 8 June 2018.

The Fund had two classes of units on issue, 2018-1 Units and Enduring Units under the constitution. The Trustee has created sleeves pursuant to which assets and liabilities are made referable to the specific class of units. 2018-1 Units were reclassified to Enduring Units effective 1 November 2021.

The principal activity of the Fund is disclosed in the Directors' Report.

The financial statements were authorised for issue by the directors on the date the Directors' Declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Adoption of New and Revised Accounting Standards

New or amended Accounting Standards and Interpretations adopted in the current period

The Fund has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

New Standards and Interpretations not yet Adopted

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the half year beginning after 1 July 2021, that have a material impact on the financial statements of the Fund recognised in the prior periods or will affect the current or future periods.

3 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated in the following text.

(a) Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 '*Interim Financial Reporting*'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'. This half-year report does not include all the notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

(b) Basis of Preparation

This general purpose half-year financial report has been prepared using the historical cost convention, except for the revaluation of investments in financial assets and liabilities, which have been measured at fair value.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within 12 months, except for certain investments in financial assets and net assets attributable to unitholders. The amounts expected to be received or settled in relation to these balances cannot be readily determined.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Fund's 2021 annual financial report for the financial year ended 30 June 2021.

All amounts are presented in Australian dollars as the functional and presentational currency of the Fund.

(c) Going Concern Basis

This half-year financial report has been prepared on a going concern basis.

4 Investments in Financial Instruments (continued)

There were no transfers between levels 1, 2 and 3 during the half-year ended 31 December 2021. The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting year.

Valuation techniques used to derive level 1, level 2 and level 3 fair values

Level 1

The fair value of financial instruments that are traded in an active market (for example, listed equities) is determined using the last traded quoted price in an active market. As at 31 December 2021 the Fund had \$nil (30 June 2021: nil) financial assets held at fair value through profit or loss included in level 1.

Level 2

The fair value of financial instruments that are not traded in an active market (for example, unlisted investments) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. As at 31 December 2021, the Fund had \$198,490,009 (30 June 2021: \$84,870,467) financial instruments in level 2.

Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. As at 31 December 2021, the Fund had \$nil (30 June 2021: nil) financial assets held at fair value through profit or loss included in level 3.

Disclosed fair values

For all financial instruments other than those measured at fair value their carrying value approximates fair value.

5 Net Assets Attributable to Unitholders

Movements in the number of units and net assets attributable to unitholders during the period were as follows:

2018-1 Units

	Half-year ended 31 December 2021		Half-year ended 31 December 2020	
	No. of Units	\$	No. of Units	\$
Balance as at 1 July	29,711,240	29,879,199	29,711,240	29,866,836
Applications for units by unitholders	-	-	-	-
Redemptions of units by unitholders	-	-	-	-
Reclassified to Enduring Units	(29,711,240)	(29,879,200)	-	-
Reinvestments by unitholders	-	-	-	-
Distributions paid and payable	-	(490,661)	-	(820,030)
Profit/(loss) for the half-year	-	490,662	-	829,458
Closing balance as at 31 December	-	-	29,711,240	29,876,264

Enduring units

	Half-year ended 31 December 2021		Half-year ended 31 December 2020	
	No. of Units	\$	No. of Units	\$
Balance as at 1 July	53,339,437	54,375,888	30,044,577	30,409,066
Applications for units by unitholders	127,651,163	131,600,866	1,887,937	1,929,852
Redemptions of units by unitholders	(18,772,829)	(19,351,414)	(264,066)	(268,928)
Reclassified from 2018-1 Units	29,048,415	29,879,200	-	-
Reinvestments by unitholders	775,352	791,722	398,069	403,651
Distributions paid and payable	-	(3,383,573)	-	(770,600)
Profit/(loss) for the half-year	-	3,060,316	-	1,017,656
Closing balance as at 31 December	192,041,538	196,973,005	32,066,517	32,720,697

Total Units

5 Net Assets Attributable to Unitholders (continued)

	Half-year ended 31 December 2021		Half-year ended 31 December 2020	
	No. of Units	\$	No. of Units	\$
Balance as at 1 July	83,050,677	84,255,087	59,755,817	60,275,902
Applications for units by unitholders	127,651,163	131,600,866	1,887,937	1,929,852
Redemptions of units by unitholders	(18,772,829)	(19,351,414)	(264,066)	(268,928)
Reclassified to Enduring Units	(29,711,240)	(29,879,200)	-	-
Reclassified from 2018-1 Units	29,048,415	29,879,200	-	-
Reinvestments by unitholders	775,352	791,722	398,069	403,651
Distributions paid and payable	-	(3,874,234)	-	(1,590,630)
Profit/(loss) for the half-year	-	3,550,978	-	1,847,114
Closing balance as at 31 December	192,041,538	196,973,005	61,777,757	62,596,961

(a) Unit Classes

The Fund offers one class of units under the Product Disclosure Statement as follows;

- Enduring units;

The 2018-1 Unit Class closed on 1 November 2021 with the unitholders' units reclassified to the Enduring Units Class.

(b) Terms and Conditions of Units on Issue

2018-1 Units - As of 1 November 2021 this class was effectively closed with remaining units reclassified to Enduring units.

Enduring units – Units are only redeemed based on Limited Withdrawal Offers (LWOs) which have been offered monthly since June 2020. Notice is provided regarding the Limited Withdrawal Offer (Offer) for the Enduring Units (Class) to all the investors in the Enduring Units class.

Enduring Unit Class is accepting monthly applications and withdrawals (LWO offered since June 2020).

Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unitholders.

6 Commitments and Contingencies

There are no commitments or contingencies at 31 December 2021 (30 June 2021: nil).

7 Subsequent Events

The coronavirus, COVID-19, was first identified as a new, highly contagious virus in December 2019. The World Health Organisation declared a global pandemic in March 2020 and as at the date of this half yearly Report, COVID-19 remains prevalent throughout the world, including Australia. COVID-19 has caused unprecedented disruption to populations, businesses and general economic activity. As the situation evolves, it continues to impact on investment funds and their trustees and managers, both directly and indirectly.

As these situations are continuing, the Investment Manager has been monitoring both the valuation of the Fund's assets and the Fund's liquidity and is investing in accordance with the provision of the Fund's Constitution and offer documents and service providers whilst assessing the ongoing operations, liquidity, and lending arrangements and on that basis the values and estimates are reported. In these circumstances, there is uncertainty around valuations. The Investment Manager will continue to closely monitor market situations to ensure that valuations remain appropriate. The Investment Manager will provide resources and updates where necessary to provide informed guidance for investors during this changing environment.

There has not been any other matter or circumstance occurring subsequent to the end of the year that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial periods.